

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption from ad valorem taxation of the property  
3 of organizations engaged primarily in performing charitable  
4 functions.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subsection (c), Section 11.184, Tax Code, is  
7 amended to read as follows:

8 (c) A [~~If approved under Subsection (b), a~~] qualified  
9 charitable organization is entitled to an exemption from taxation  
10 of:

11 (1) the buildings and other real property and the  
12 tangible personal property that:

13 (A) are owned by the organization; and

14 (B) except as permitted by Subsection (d), are  
15 used exclusively by the organization and other organizations  
16 eligible for an exemption from taxation under this section or  
17 Section 11.18; and

18 (2) the real property owned by the organization  
19 consisting of:

20 (A) an incomplete improvement that:

21 (i) is under active construction or other  
22 physical preparation; and

23 (ii) is designed and intended to be used  
24 exclusively by the organization and other organizations eligible

1 for an exemption from taxation under this section or Section 11.18;  
2 and

3 (B) the land on which the incomplete improvement  
4 is located that will be reasonably necessary for the use of the  
5 improvement by the organization and other organizations eligible  
6 for an exemption from taxation under this section or Section 11.18.

7 SECTION 2. Subsection (b), Section 11.184, Tax Code, is  
8 repealed.

9 SECTION 3. This Act applies only to taxes imposed for a tax  
10 year beginning on or after the effective date of this Act.

11 SECTION 4. This Act takes effect January 1, 2008.